

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-1-

THE WEST VALLEY CITY REDEVELOPMENT AGENCY MET IN SPECIAL REGULAR SESSION ON TUESDAY, SEPTEMBER 13, 2011, AT 7:40 P.M., IN THE CITY COUNCIL CHAMBERS, WEST VALLEY CITY HALL, 3600 CONSTITUTION BOULEVARD, WEST VALLEY CITY, UTAH. THE MEETING WAS CALLED TO ORDER BY CHAIRMAN BUHLER.

THE FOLLOWING MEMBERS WERE PRESENT:

Steve Buhler
Russ Brooks
Carolynn Burt
Don Christensen
Corey Rushton
Steve Vincent

Wayne Pyle, Chief Executive Officer
Sheri McKendrick, Secretary

ABSENT: Mike Winder

STAFF PRESENT:

Paul Isaac, Assistant City Manager
Nicole Cottle, CED Director
Russell Willardson, Public Works Director
John Evans, Fire Chief
Kevin Astill, Parks and Recreation Director
Layne Morris, CPD Director
Jim Welch, Finance Director
Eric Bunderson, City Attorney
Mike Wells, Acting Police Chief
Steve Lehman, CED Department
Jake Arslanian, Public Works Department

1567

OPENING CEREMONY

The Opening Ceremony was previously conducted by Steve Vincent who mentioned the recent tragic loss of Mayor Mike Winder's mother in a fatal auto accident and expressed deepest sympathy and condolences for the Winder family. He also encouraged those in attendance to take the opportunity to express love to their own family members because it is never known when tragedy will strike taking loved ones away.

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-2-

1568

RESOLUTION NO. 11-38, APPROVING THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY TO ENTER INTO A FINANCING LETTER AGREEMENT WITH WILLIAM BLAIR & COMPANY, L.L.C. FOR THE PURPOSE OF OBTAINING FINAL FINANCING FOR THE FAIRBOURNE STATION HOTEL

Chief Executive Officer, Wayne Pyle, presented proposed Resolution No. 11-38 which would authorize the Redevelopment Agency of West Valley City (RDA) to enter into a financing letter with William Blair & Company, L.L.C. for purposes of securing final funding for the Fairbourne Station Hotel.

Mr. Pyle stated the Redevelopment Agency was financing and constructing an Embassy Suites Hotel containing approximately 163,019 square feet with surrounding parking. He further stated the Embassy Suites Hotel would be a seven story hotel containing 162 guest rooms, three meeting facilities, three banquet facilities, a restaurant, bar and lounge, an indoor swimming pool, sun deck, exercise room, business center, gift shop and reception area.

The Chief Executive Officer explained the Financing Letter set forth the abbreviated terms of final funding but included the most significant information including the term, interest rate, and total amount. He stated the terms of the final funding would be substantially similar to the provisions of the Financing Letter.

Mr. Pyle reported although the City was leasing the Embassy Suites Hotel, West Valley Lodging Initiatives, LLC would sublease and operate the Embassy Suites Hotel and make rent payments to cover the debt service associated with the financing.

Chief Executive Officer, Wayne Pyle, stated the City Center Redevelopment Plan had been adopted by the Redevelopment Agency in 2004, and was recently updated. He indicated this plan involved urban renewal of the area that included the Valley Fair Mall, property surrounding West Valley City Hall, and the area to the west of City Hall. He explained this urban renewal area had recently been renamed Fairbourne Station.

Mr. Pyle indicated the Embassy Suites Hotel was the flagship development for Fairbourne Station. He stated the RDA approved a Term Sheet Agreement with Bonneville Q/10 which had commenced the process of securing funding. That process had come to a conclusion with the Financing Letter setting forth the terms for final funding. He stated, once executed, the Financing Letter committed the lender to funding as set forth therein.

After discussion, Mr. Vincent moved to approve Resolution No. 11-38, a Resolution Approving the Redevelopment Agency of West Valley City to Enter Into a Financing Letter Agreement with William Blair & Company, L.L.C. for the

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-3-

Purpose of Obtaining Final Financing for the Fairbourne Station Hotel. Mr. Christensen seconded the motion.

A roll call vote was taken:

Mr. Vincent	Yes
Mr. Brooks	Yes
Ms. Burt	Yes
Mr. Rushton	Yes
Mr. Christensen	Yes
Chairman Buhler	Yes

Unanimous.

1569

RESOLUTION NO. 11-39, APPROVE A CONSTRUCTION MANAGEMENT AGREEMENT WITH WEST VALLEY LODGING INITIATIVES, LLC, FOR DEVELOPMENT AND CONSTRUCTION OF AN EMBASSY SUITES HOTEL LOCATED AT APPROXIMATELY 3524 SOUTH MARKET STREET IN WEST VALLEY CITY

Chief Executive Officer, Wayne Pyle, presented proposed Resolution No. 11-39, which would approve a Construction Management Agreement with West Valley Lodging Initiatives, LLC (WVLI), in an amount not to exceed \$1,000,000.00, for development and construction of an Embassy Suites Hotel located at approximately 3524 South Market Street in West Valley City.

Mr. Pyle stated the RDA was financing and constructing an Embassy Suites Hotel containing approximately 163,019 square feet with surrounding parking. He indicated the Embassy Suites Hotel would be a seven story hotel containing 162 guest rooms, three meeting facilities, three banquet facilities, a restaurant, bar and lounge, indoor swimming pool, sun deck, exercise room, business center, gift shop, and reception area.

The Chief Executive Officer reported WVLI would sublease and operate the Embassy Suites Hotel pursuant to terms of a Sublease and Operating Agreement. He indicated WVLI was a highly specialized company providing services for the development, construction and operation of hotels. He indicated WVLI had the necessary professional expertise as well as the applicable licenses to develop, construct and operate the Hotel. He also stated due to their professional and specialty services they were the ideal entity to act as construction manager.

Mr. Pyle reported the City Center Redevelopment Plan had been adopted by the Agency in 2004 and was recently updated. He stated the Plan involved the urban renewal of the area that included the property surrounding West Valley City Hall and the area to the west of City Hall. He indicated this urban renewal area had

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-4-

recently been renamed Fairbourne Station. He advised that the Embassy Suites Hotel was the flagship project for Fairbourne Station.

After discussion, Mr. Rushton moved to approve Resolution No. 11-39, a Resolution Approving a Construction Management Agreement with West Valley Lodging Initiatives, LLC, in an Amount Not to Exceed \$1,000,000.00, for the Development and Construction of an Embassy Suites Hotel Located at Approximately 3524 South Market Street in West Valley City. Ms. Burt seconded the motion.

A roll call vote was taken:

Mr. Vincent	Yes
Mr. Brooks	Yes
Ms. Burt	Yes
Mr. Rushton	Yes
Mr. Christensen	Yes
Chairman Buhler	Yes

Unanimous.

1570

RESOLUTION NO. 11-40, APPROVE A MASTER LEASE AGREEMENT WITH WEST VALLEY CITY FOR LEASE OF PROPERTY AND A HOTEL LOCATED AT APPROXIMATELY 3524 SOUTH MARKET STREET IN WEST VALLEY CITY

Chief Executive Officer, Wayne Pyle, presented proposed Resolution No. 11-40 which would approve a Master Lease Agreement with West Valley City for lease of property and a hotel located at approximately 3524 South Market Street in West Valley City.

Mr. Pyle stated the RDA was financing and constructing an Embassy Suites Hotel containing approximately 163,019 square feet with surrounding parking. He indicated the Embassy Suites Hotel would be a seven story hotel containing 162 guest rooms, three meeting facilities, three banquet facilities, a restaurant, bar and lounge, indoor swimming pool, sun deck, exercise room, business center, gift shop, and reception area.

The Chief Executive Officer reported that, as routinely done for bond financing, the Agency financing of the Hotel included securing the City as a tenant pursuant to a Master Lease Agreement. He indicated the City would in turn sublease the Hotel to an entity called West Valley Lodging Initiatives, LLC, who would operate and ultimately purchase the Hotel.

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-5-

Mr. Pyle reported the City Center Redevelopment Plan had been adopted by the Agency in 2004 and was recently updated. He stated the Plan involved the urban renewal of the area that included the property surrounding West Valley City Hall and the area to the west of City Hall. He indicated this urban renewal area had recently been renamed Fairbourne Station. He advised that the Embassy Suites Hotel was the flagship project for Fairbourne Station.

After discussion, Mr. Vincent moved to approve Resolution No. 11-40, a Resolution Approving a Master Lease Agreement with West Valley City for the Lease of Property and a Hotel Located at Approximately 3524 South Market Street in West Valley City. Mr. Rushton seconded the motion.

A roll call vote was taken:

Mr. Vincent	Yes
Mr. Brooks	Yes
Ms. Burt	Yes
Mr. Rushton	Yes
Mr. Christensen	Yes
Chairman Buhler	Yes

Unanimous.

1571

RESOLUTION NO. 11-41, APPROVE A SUBLEASE AND OPERATING AGREEMENT WITH WEST VALLEY CITY AND WEST VALLEY LODGING INITIATIVES, LLC, FOR PROPERTY AND A HOTEL LOCATED AT APPROXIMATELY 3524 SOUTH MARKET STREET IN WEST VALLEY CITY

Chief Executive Officer, Wayne Pyle, presented proposed Resolution No. 11-41 which would approve a Sublease and Operating Agreement with West Valley City and West Valley Lodging Initiatives, LLC (WVLI) for property and a hotel located at approximately 3524 South Market Street in West Valley City.

Mr. Pyle stated the RDA was financing and constructing an Embassy Suites Hotel containing approximately 163,019 square feet with surrounding parking. He indicated the Embassy Suites Hotel would be a seven story hotel containing 162 guest rooms, three meeting facilities, three banquet facilities, a restaurant, bar and lounge, indoor swimming pool, sun deck, exercise room, business center, gift shop, and reception area.

Mr. Pyle reported as was routinely done for bond financing, the Agency financing of the Hotel included securing the City as a tenant pursuant to a Master Lease Agreement. He indicated the City would in turn sublease the Hotel to an entity called West Valley Lodging Initiatives, LLC who would operate and ultimately

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-6-

purchase the Hotel pursuant to the Sublease and Operating Agreement. He further advised several provisions of the Sublease and Operating Agreement related to the owner which required the RDA to be a party to the agreement.

Mr. Pyle reported the City Center Redevelopment Plan had been adopted by the Agency in 2004 and was recently updated. He stated the Plan involved the urban renewal of the area that included the property surrounding West Valley City Hall and the area to the west of City Hall. He indicated this urban renewal area had recently been renamed Fairbourne Station. He advised that the Embassy Suites Hotel was the flagship project for Fairbourne Station.

After discussion, Mr. Christensen moved to approve Resolution No. 11-41, a Resolution Approving a Sublease and Operating Agreement with West Valley City and West Valley Lodging Initiatives for Property and a Hotel Located at Approximately 3524 South Market Street in West Valley City. Mr. Brooks seconded the motion.

A roll call vote was taken:

Mr. Vincent	Yes
Mr. Brooks	Yes
Ms. Burt	Yes
Mr. Rushton	Yes
Mr. Christensen	Yes
Chairman Buhler	Yes

Unanimous.

THERE BEING NO FURTHER BUSINESS OF THE WEST VALLEY REDEVELOPMENT AGENCY, THE SPECIAL REGULAR MEETING OF TUESDAY, SEPTEMBER 13, 2011, WAS ADJOURNED AT 7:44 P.M., BY CHAIRMAN BUHLER.

MINUTES OF RDA SPECIAL MEETING – SEPTEMBER 13, 2011

-7-

I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the Special Regular Meeting of the West Valley City Redevelopment Agency held Tuesday, September 13, 2011.

Sheri McKendrick, MMC
Secretary